

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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STEPHEN M. WILSON, <i>et al.</i> ,	:	
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Plaintiffs,	:	
	:	
-against-	:	07 Civ. 6176 (LTS)
	:	
IMAGESAT INTERNATIONAL N.V., <i>et al.</i> ,	:	
	:	
Defendants.	:	

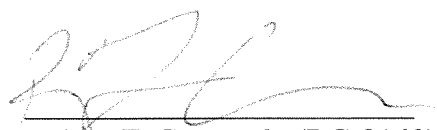
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**DECLARATION OF ROBERT F. CARANGELO**

I, Robert F. Carangelo, declare under 28 U.S.C. § 1746:

1. I am an attorney admitted to practice before this Court and a partner of Weil, Gotshal & Manges LLP, attorneys for Defendant James DePalma. On behalf of Mr. DePalma in this action, I submit this declaration in support of Mr. DePalma's Motion to Dismiss the Consolidated Amended Complaint.
2. A true and correct copy of the email that is referenced in paragraph 65 of Exhibit F to the Consolidated Amended Complaint is attached hereto.
3. I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York  
March 25, 2008

  
Robert F. Carangelo (RC-3162)

## **EXHIBIT A**

From: James DePalma  
Sent: Monday, February 20, 2006 8:18 AM  
To: 'steve@brweng.com'  
Subject: Re: Cram Down WITH ATTACHMENTS

Steve

The fact is that ISI has no money and they can only borrow with Pegasus and IAI approval.

Pegasus is being a pig but there isn't anything that can be done.

They are offering the same deal that IAI and Pegasus has to all shareholders.

Core (Bob and me) saw our equity reduced by 80 percent.

We will not put anymore money in to support a law suit.

Company received a fairness opinion regarding the transactions with IAI and Pegasus Jim

-----Original Message-----

From: Steve Wilson  
To: James DePalma  
CC: Kathleen Chin; 'Robert W. Miller'  
Sent: Mon Feb 20 04:34:34 2006  
Subject: Cram Down WITH ATTACHMENTS

Jim:

I would really appreciate your input on this matter. The Company is completely ignoring my repeated requests for REAL SUBSTANTIVE information. I also heard from Patrick that SOP 4 is getting fixed right now. He also reminded me that this contract is insured for enough money to cover there current cash shortfall! I know that there is another SOP pending, if not already signed, though this new contract is only relevant in the event of a successful launch. In any case there is clearly NO justification for the kind of cram down these guys have cooked for us, notwithstanding the substantive allegations of fraud in the sale of the B/C satellites.

Steve

This time with the referenced attachment and "attachment to the attachment".

Jim:

As you can imagine, I am quite upset to receive this news. I sent the written questions (the attachment to the attachment) to ImageSat nearly three weeks ago, repeatedly in fact, since their email server wasn't working properly for several days (and they think they don't need better qualified technical personnel). I resent these questions to Efrat on Wednesday (their internal counsel whom you no doubt know) with my request that she update me on the details of the offering (the attachment). She called me yesterday but declined to provide an details and instead referred me to Shimon Eckhaus and Hagai Goren for details. They didn't follow up per her request as of this morning and there is no reason to believe that they will be any more responsive than they have been recently. Although the personal impact of this situation is devastating, there are major implications for my current project associated with the asset ownership issues I have raised. I think that the current plan would be a show stopper here, DEFINITELY if it is possible that the asset owner might take over operations. Please read my message to Efrat as well as the attachment thereto.

At first I was puzzled by the magnitude of the "cram down" because IAI is already TOO close to exceeding the 50% ceiling on their ownership. The only explanation I can come up with for such a move is that IAI and Pegasus have probably already worked out an exit strategy for Pegasus and are really just establishing the lowest take out price for the remaining shareholders. If one assumes that all of the options go away in a deal of this nature, this idea probably makes economic sense for IAI.

Absent input from you to the contrary, I am proceeding to organize a group of independent shareholders and intend to file a legal action against the Company, IAI and Pegasus ASAP. There is considerable support for such action among various capable shareholders, the Europeans in particular. It certainly seems to me that in this sense, our interest remained fully "aligned". I hope so and I am certain that you and Bob could lend considerable additional credibility to such an action.

Regards

Steve Wilson

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From: James DePalma [mailto:JDePalma@l-1ip.com]  
Sent: Wednesday, February 15, 2006 12:40 PM  
To: Steve Wilson  
Cc: Kathleen Chin  
Subject: RE: Yifrah

Basically all shareholders were crammed down by 80% in order for IAI  
and  
Pegasus to agree to provide add'l loans and debt extension

Problems with sop #4 etc

We had to defer \$1.3 million owed to Core

Our investment in IAI went from 5% to 1%

We are evaluating our investment in Core, at this point Core is  
insolvent

Jim

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From: Steve Wilson [mailto:steve@brweng.com]  
Sent: Wednesday, February 15, 2006 10:57 AM  
To: James DePalma  
Subject: RE: Yifrah

Jim:

I would appreciate any info you can provide about the recent ImageSat board meeting. Specific items of interest are Yifrah and the bond offering. ImageSat completely ignored my questions regarding the bond offering despite their internal counsel's promise to keep me informed. I sent a number of questions to them several times, specifically regarding the cost of the offering (both "management fees" represented as 10 million in the document, and equity).

Thanks.